

House Republican Press Release

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REP. URBAN: SENATE PASSES LEGISLATION CREATING LOAN PROGRAM FOR SMALL BUSINESSES



On Wednesday, May 3, The State Senate gave final legislative approval to a bill cosponsored by State Rep. Diana Urban, R-North Stonington, that would establish a pilot program to help new and existing very small businesses (i. e. , microenterprises) obtain funding and resources. House Bill 5495 now goes to Governor M. Jodi Rell for final approval.

The program would rely on existing organizations that specialize in helping small businesses to identify their needs and find the appropriate public or private programs to address those needs. HB 5495 would also require the Department of Economic and Community Development (DECD) to issue funds to the nonprofit Community Economic Development Fund (CEDF), which must disperse them to loan organizations serving very small businesses.

Established by law in 1993, CEDF helps economically distressed neighborhoods develop businesses and create jobs. It does this by making and guaranteeing loans to small businesses, including microenterprises. The bill requires DECD to report on the status of the program to the Legislature's Commerce Committee by June 30, 2007.

This bill also supports the Microenterprise Resource Group (MERG) the state's first statewide organization dedicated to the health and growth of microenterprises. According to MERG, most companies started as microenterprises and Connecticut boasts 277,000 microbusinesses statewide. These businesses generate more than \$15 billion in sales and more than \$430 million in state sales tax revenue.

"This bill helps to address our current concerns with jobs in Connecticut and the well known problem of job loss to out sourcing and off shoring," said Rep. Urban, who serves on the Legislature's Commerce Committee. "By helping entrepreneurs realize their dreams of starting their own businesses, we keep dollars circulating in our local economies and help to build a vibrant economic web. Our local microenterprises do not move off shore, they are here to stay. I am so pleased that this bill passed and that we will be able to continue helping to build strong communities throughout the State"

In 2003, Rep. Urban served as a primary sponsor of Public Act 03-93, which allows CEDF to provide financing to low- and moderate-income people statewide for establishing, maintaining, and expanding businesses.